App F IX-4

Previous References 1933. (Ml)

File No 60-33

Serial Nos. 6 & 121

Later References

Rev 48-34-28, 32, 61, 75

1. 110-44-36, 39

GENERAL AND REVENUE SECRETARIAT.

Serial Nos 2

Part B for August 1934

SUBJECT.

Levy of octroi duty on certain articles imported into the Bangalore city Municipality

(121) The Municipal Commissioner, Bangalore city
" Comptroller to Govt
" Director of Industries & Commerce

Govt No & 1045-7 dated 18-8-34

Sanctions the levy with certain modifications

W.D.01965—GPB—15,000—7-7-34

File No 600 of 1933

Serial No	
6	Letter no. Ag 70 395 Dt 29/6/33 from the Municipal Commr Bangalore city recommending Sanction to the proposal of the Mkt to levy octroi on certain articles imported into the city 1 The formalities required under the Rgn are reported to have been observed and the Chamber of Commerce and the Director of Industries Commerce have objected to the levy of octroi on tallow Thereupon the Managing Committee have resolved that tallow imported for being used as raw material in bonafide industries in the case of all factories in the city, be exempted from the payment of the proposed levy, but the Mkt resolves that refund of duty be made in the case of bonafide users of tallow for saponification on production of a certificate from the Director of Industries Commerce about the quantity of tallow actually used in Soap making by each factory 2 Most of the articles mentioned in the Commr's letter, on which octroi is proposed to be levied do not find a place among those prescribed in Schedule II of the new city Municipalities Act which came into force and whether such articles can be brought under dutiable articles is a point for consideration 3 Submitted for orders Jk 7.7.33 4 A Please put up a copy of the Rule JK 8/7

Please see Class VIII in Schedule II

NOTE—Continuation sheets under same order will be issued

P. WD 77—GBPM—60 000—13-8-33.

File No 4 of 193 Council

5

Submitted with a copy of the Bill

10/7/33

6.--Of the articles proposed to be subjected--to payment of duty only--Kerosene oil that is specified in Schedule II of the City Rates Bill. The others except--Tallow, whale oil, fish oil--nut oil other than fats, have to be brought under class VIII--mentioned in the said Schedule. Tallow whale oil, fish oil etc have perhaps to be classed under 'Other oils' in class III

7.- As regards the rates proposed, the rate of 3 pies per rupee on all articles, except Tallow whale oil etc, is below the maximum rate fixed in Schedule III. Regarding tallow other oils, the rate proposed is 8 annas per maund of 82 lbs, while the max^m rate fixed for other oils in class III is only 2 annas, and it does not seem to be possible to bring these articles under any other class in the schedule so as to justify the rate of 8 annas per maund proposed. It is for advising the Municipal Committee may be asked to revise the rate (1)

8 In regard to tallow, both the Chamber of Commerce & the Dir^r Ind^s want the tallow used as raw material in soap industry to be exempted from payment of octroi. The Municipal Committee has resolved that exemption be not granted, but refund of duty be made to bona fide users of tallow for soap making, on production of a certificate from the Dir^r Ind^s about the quantity actually used in each factory. The Dir may be consulted in regard to this proposal (2)

46
1317

General and Revenue Secretariat | File No 60 of 1933 | [App F III—2

Serial No

Regarding the proposal to levy octroi on articles, a petition has been presented to the Municipal Council by some merchants protesting against the levy on the ground that proper notice of the proposal was not given that local traders would be hit hard by the levy which would also result in the falling off of octroi trade. It is also urged that the article is not taxed in the Cantonment. The Municipal Council had no opportunity to express their opinion as the same were not made to them. It is for orders if their opinion may be called for.

10 There is no enactment in the Municipal Council letter as to which of the articles in question are subjected to levy of octroi in the Cantonment. He may be asked to furnish the information.

11 Forwarded on the points (1) to (3) referred to above

(Chief Secy) 15/7

12 Please consult the Mil on the points

15-7-33

13

Forwarded with compliments and to request that the Municipal Commr Bangalore City may favour us with his remarks on the points referred to

By order,

Asst to Chief Secy to Govt

17/7

17-7-33

Rec'd 18-7-33

NOTE—Contn Sheet

WD 70—GBPM—60 000—13 8-31

14

9. Sent for the wholesale Area merchants and looked into their accounts. Of the total trade in Area, 1/5 is for local consumption and 4/5 is re-exported to outstations. The octroi paid on exported Area goods will be refunded, roughly 4/5 of the collections have for this refunded - 9/- is estimated net loss realisation from octroi in Area will be Rs 10000 (Ten Thousand) per annum, as against Rs 8000/- has this refunded. The benefit from municipality from this source is therefore negligible, whereas octroi may have the result of driving away the Area trade to places just outside the municipal limits. I am therefore, on a further consideration of the subject, not in favour of the suggestion of octroi on Area

Commissioner

(Chief Secy) Bangalore City Municipality

10/10/1933

15

For perusal and orders if the Director of Industries & Commerce may be consulted also in regard to the point mentioned in para 8 supra

12/10

(Chief Secy)

Yes.

RJ

13/10

Serial No

16

Forwarded with compliments unofficially to the Director of Industries & Commerce in Mysore for favour of remarks on the points referred to at para 8.

By order.

Eco NO 79-33

By 19-10-33

{C4-308/32 31
No {ECO-9(a) 33-34

Assistant Secy to Govt

17. Returned with Compliments.

I agree to the proposal of the Rural Council

20/4/34

24 Apr 1934

18 Before the proposals are sanctioned, it has to be decided if the rates of duty proposed are in order having regard to the maximum rates prescribed in the Cess Rules. This point has been noted as in para 6 27 supra & a draft letter as to the rate that can be levied in the case of tallow, whale oil &c

19 For favour of opinion. If the rates proposed by the rural ~~Council~~ are in order.

Asst Secy, Revenue with Papers

Asst 24/4

20 In the Comr's memo of 14 Dec 1931 the rate proposed for tallow, whale oil etc is 8 annas per maund The resolution of the Managing Committee passed on 14 Nov 1932 however shows that they resolved to levy duty on tallow etc only at 3 pies per Rupee.

NOTE—Contn Sheet

File No of 193 | General and Revenue Secretariat

The M'C' however at its meeting held on 15-4-33 say that the Committee resolves to levy ochre on tallow oil at 8 as per maund & then resolved to accept the Committee's recommendation - The Committee perhaps in its meeting of 28 Jan 1933 referred to in the Council resolution of 15-4-33, might have modified their original recommendation - But copy of these proceedings are not sent -

21 If the rate finally published for public criticism is 8 annas per md of 24 lbs, it would exceed the maxm prescribed in Schedule II of the city Mkts Regns - If however, tallow, whale oil & fish oil are not really oils but fat, they would come under class VIII of the Schedule - The Industrial chemist has to say whether tallow etc are oils or fats -

22 - The notice calling for objns, is not sent nor does the M' Corp deny the allegations in para 2 of the petition presented to the Govt and assert that there was a proper publication in this case - The objection regarding this goes to the root of the legality of the levy as regards all articles & not only with respect to areca for which the M Corp, (but not the M'C') agree to abandon the proposal -

Asst Secy (Legs) with Comts

11/5/34

3+ Encl

317/I 317/L

General and Revenue Secretariat | File No 60 of 1933-34 | [App F III—2

Serial No	
	2. The file may kindly be sent unofficially to the Muni Comr again for favor of remarks on the points raised in paras 20 to 22.
CHIEF SECY 14 MAY 1934	Chief Secy 17/5 Yes. RG 16/5/34 AD.
to No 232-33 D 17-5-34	Forwarded with compliments unofficially to the municipal Commr Bangalore City, for favour of remarks
Rec'd 18-5-34	By order A Venkata Rau For Chief Secy to Govt 17 5 34
	The managing committee passed two resolutions — one on 28-1-1932 and the other on 14-11-1932 under first they approved levy of duty on wheat etc at 8as a maund and under second at 3 pies per rupee advalorem - the Govt canvassed with the resolutions and approved of levy at 8as per maund under circulars on 15-12-1933. By a clerical mistake in stead of 28-1-1932 in which the committee's resolution is noted as 28-1-1933 which is not correct resolution under reference. Hence calling for objections

NOTE—Contn Sheet

WD 0434—GPB—15 000—12-10-32

67/19/p637 317/J

Ind File No 40 of 1933 | General and Revenue Secretariat

Serial No

was duly published as 4-12-1933 copy is forwarded herewith Comments Standing for machinery the rule proposed. There would be no legal objection which we foresee, under it, formal oil fats are considered as fats and not oils as suggested by the Asst Secy. Law Dept. Representative of industries chemists may also be consulted:

Comptroller

Chief Secy) 12/6/1934

L J G. 12/6/34.

26) For favour of further remarks

Asst Secy, Law Dept with Compts) Asst 18/6

27) The notice calling for objns is in order. The Mr Contr says it was duly published hence the objns raised in para 2 of the petn have no force. As to whether fatty oils, whale oil & fish oil are oils under class III of Schedule II or fats under class VIII of the same Schedule, expert opinion may be taken. I think that fatty oils or fats cannot come under class II which appears to deal only with vegetable or mineral oils.

A

407 Law

Asst Secy Com with Compts 21/6

Serial No

28) Re A on the last page, the Director of Industries & Commerce, may be requested unofficially to obtain and forward the opinion of the Industrial Chemist on the point raised.

Asst 2576

Chief Secy)
29) Yes. RR 26/6
Asst 26/6

CHIEF SECRETARY
26 JUNE 1934

From 257-33
Dy 27-6-33

30) Forwarded with compliments unofficially to the Director of Industries & Commerce Mysore, for favour of obtaining & furnishing the opinion of the Industrial Chemist on the point raised at para 29

By order

Asstt
For Chief Secy to Govt
27 6 34

Copy in the Cy file Para 31 of the Cy file for reference

Asstt 28/6

31) Note submitted herewith.

Director of I & C)
11/7/34

12/7/34

32) Returned with Compliments The rate of 3 pies per rupee is within the limits of 2% ad-valorem fixed under class VIII of the Schedule II to the Rule by the Industrial Chemist is placed on the file

Asstt
19-7-34.
Dir of I & C

OFFICE OF DIRECTOR I & C
No 50 DATE 28.6.34

NOTE—Contn Sheet

RR 21/7/34

20 JUL 1934

WD 01536—GPB—7 500—5-4 34

33) Please put up a draft G.O sanctioning the proposals quoted

Asstt 20/7

L 46 of 33 V 317-3

File No 60 of 1933 General and R Secretariat

35) Submitted with a draft G.O. for approval

23 25-7-34 24/7 36) The draft is issued for consideration

37) In the case of tallow, whether the rate of 3 pies per rupee ad valorem proposed by the Director, etc, is adopted

38) Octroi on areca (betel nuts) is also sanctioned in the draft through the Hon'ble Com. stated in his U.O. note dt. 10.11.33, in para 14 above that the duty may not be imposed on areca the opinion of the Hon'ble is that the duty should be imposed. If it is held that the levy should not be sanctioned for the reasons mentioned in the Hon Com. note the draft will be modified

Chief Secy

31/7

[redacted]

2nd Member

Dewan

R.J. 1/8/34 1/8

SECOND M 2 AUG 1 No

Jor 4/8

5-8-34

Board not 10th inst. 7 & 1/8/34 to release R.

Permit Sanction the proposed new custom 7/8 issue Hon'ble observations

Serial No

B K GARUDACHAR
Hon President,
BANGALORE CITY MUNICIPALITY

Telephone No 319

BANGALORE,
Dated 24-8- 1934

My dear Mr Sankara Rao 787

Mr P N. Krishna Rao wrote a letter to Govt about the park of Hubli (Dharwar) in Bangalore after examining there the merchants accounts. Some two. The copy of that letter is not in the file of municipal office. It is requested to be found & forwarded. I should feel obliged by your sending a copy of that letter.

Yours sincerely
B K Garudachar

Think we need not see the file

Leave for us to see the connected file

Submitted with the connected file as directed (ml 60-33 121)

27 AUG 1934 SECRETARY

4 Hon No letter was sent by Mr P N Krishnarao on the subject. When the file was returned therein unofficially he recorded his note dt 10 10 33; under para 14 for information (Chief Secy) Sd 27/8 27/8 approval

TYPING SECTION * 28 AUG 1934 * GENL & REV SECTT

23 8 34

Issue note 1506 dt 30/8/34 to Mr BK Garudachar forwards a copy of the note. Give acknowledgt

NOTE—Contd Sheet

WD 01536—GPB—7 500—5 4-34

File No of 193

General and Revenue Secretariat

Exhibition Section | File No | of 193

Serial No

Government Soap Factory
Bangalore.

11th July 1934.

Submitted:

The term 'fat' has no special significance in -- science. Scientifically speaking both oils and fats belong to a group of substances known as "tri-glycerides of fatty acids." Oils and Fats, whether of vegetable origin or animal origin, are all mixtures of different tri-glycerides of fatty acids.

According to certain conventions, only such of them as are solid at ordinary temperature are known as 'fats' and those that are fluid at ordinary temperature as 'oils.' For example what we know in India as "Cocoanut Oil" has -- often referred to in western countries as "Cocoanut Fat." In some instances oils like ground nut are referred to as "Liquid Fats." The mixture of tri-glycerides obtained from Dhupa Seeds is often referred to as "Dhupa Fat" or "Malabar Tallow" or "Piney Tallow", clearly indicating its physical condition that often determines whether we call a particular kind of mixture of glycerides 'fat' or 'oil'. There is another article of purely vegetable origin which comes by the name of "Chinese Vegetable Tallow." Take another instance. The mixture of tri-glycerides obtained from the Cocoa tree is referred to as Cocoa Butter or Cocoa Fat.

Scientifically speaking there will be no objection to include tallow, whale oil, and fish oil under schedule 2 clause III, item Other oils, or at all events under clause VIII which is comprehensive.

Note—Contn Sheet

File No of 193 .

Hydrogenated whale oil and fish oil are common articles of commerce now-a-days in Indian markets. If necessary when actually publishing the details the words "Whale, Fish, or other marine animal oils either as such or hydrogenated" may be used. The exception to this being oils used for pharmaceutical purposes like Cod Liver Oil.

Industrial Chemist and
Chemical Engineer.

SGS:KV:

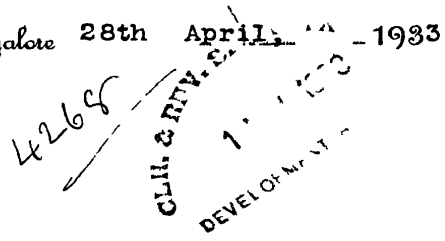
12/7/24

THE MYSORE CHAMBER OF COMMERCE

POST BOX
No 39

No 1630 In C C

Bangalore 28th April 1933



From

The Secretary,
Mysore Chamber of Commerce,
Bangalore.

To

The Secretary
to the Government of His Highness
the Maharaja of Mysore, Development
Department, Bangalore.

Sir,

I beg to forward herewith for the information of the Government a copy of the letter addressed by the Chamber to the Municipal Commissioner, City Municipal Council, Bangalore, in the matter of exempting Tallow as a Raw Material from Octroi duty for reasons set out therein.

I have the honour to be,

Sir,

Your most obedient servant,

Secretary.

Encl.one.

JYS.

THE MYSORE CHAMBER OF COMMERCE, BANGALORE.

27th April, 1933.

No. 1626. M.C.C.

From

The Secretary,
Mysore Chamber of Commerce,
B a n g a l o r e.

To

The Municipal Commissioner,
City Municipal Council, Bangalore.

Sir,

It has been brought to the notice of the Chamber that the Bangalore City Municipal Council have resolved on the advice of their Standing Committee, to levy an Octroi Duty of 8 annas per maund on imports of Tallow into the City. Obviously, the object inspiring the proposal is to check the growing malpractice of adulterating Ghee with Tallow. The proposal has much to recommend it from the point of view of preventing food adulteration.

But there is another side to the case. Tallow is a product used in Textile Mills for certain preparatory process and conditioning of yarn and it is also used as a raw material in the Soap Industry. The Indian Fiscal Commission in their report, and the Tariff Board at a later stage, have also recognized that no Raw Material used in bona fide industries should be taxed, as otherwise, the industry is going to suffer. Recognizing this principle the Government of India permitted the import of Tallow into India free of customs duty. The same principle was applied to the importation of Sulphur, which is now on the free list, as against Sulphuric Acid, which is taxed heavily.

Telegraphic Address 'INDUSCOM'

In reply please refer to No Cip-308/30 31

FNC 2

GOVERNMENT OF MYSORE

DEPARTMENT OF INDUSTRIES AND COMMERCE

OFFICE OF THE DIRECTOR

F III—2

4906 Dated, Bangalore the 29th April. 1933.

11/5733

GEN. & REV. SECTT. 5 MAY 1933

GEN. & REV. SECRETARIAT. 4290 2 MAY 1933 DEVELOPMENT BRANCH

FROM

N RAMA RAO, Esq., B.A., B.L.,
Director of Industries and Commerce in Mysore,
Bangalore (India)

To

S. Abdul Wajid, Esq. B.A.,
Secretary to Government of Mysore,
Development Department -Bangalore.

SIR

I have the honour to state that I have received a letter from the Industrial Chemist in charge of the Governmer Soap Factory stating that the Bangalore City Municipality propose to levy an octroi duty of 8 annas per maund of (24 lbs) of tallow imported into the City. I enclose herein a copy of his letter and also a copy of the letter addressed by me to the President, Bangalore City Municipality pointing out the various aspects from which the question should be considered. I shall submit a further report to Government on hearing from the President of the Municipality.

I have the honour to be
Sir,
Your most obedient servant,

DIRECTOR.

Encl. 2.

GENER. 4 MAY No. 4-15

NOTE—Contn Sheet

WD 0246 -GPB—15,000—22-8-32

File No of 193

General and Revenue Secretariat

t-308/3031

29th April

THE PRESIDENT,
Bangalore City Municipality,
BANGALORE.

I have the honour to state that it is reported by the Industrial Chemist in charge of the Government Soap Factory, Bangalore that the City Municipal Council propose to levy an octroi duty of 8 annas per maund of 24 lbs of tallow (or 12½ Advalorem at the present price) imported into the City In this connection I would like to bring to your notice the effects of the levy of octroi on tallow on the soap Industry in Bangalore and hope that the question would be carefully considered by you before final action is taken

Tallow is largely used as raw material in the Soap Industry If a duty is levied on it, it will add to the cost on important raw material used by the local manufacturers and will handicap them very much in their competition with the British Indian and Foreign manufacturers of soaps They obtain their supplies of oils and fats at comparatively low prices being very near the sources of supply thus avoid payment of any railway freight Moreover soap manufacturers in British India get tallow free of any customs duty Our manufacturer have to pay Railway freights both on oils and fats imported by them and on soaps manufactured by them as their principal market lies outside the state The levy of octroi would hit hard the soap industry in Bangalore.

If the proposed levy of octroi duty on tallow is intended to check its use for purposes of adultration, I am afraid that it can r.

File No of 193

General and Revenue Secretariat

The whole point is not whether a particular factory is exempt from levy of octroi duty on account of its being a Government concern. So long as there is a raw material which can be used by any soap maker in Bangalore City and if that material gets taxed heavily, the present proposed rate working at more than 12½% ad valorem, we shall have to protest against such a levy.

There is no Customs duty to be paid at port towns on imported tallow and hence as compared with all our competitors all over India the soap factories in Bangalore City, whether private owned or Government owned, will be placed at a terrible disadvantage. At a time when we are all anxious to get as much help as possible from the Municipality this proposal is certainly one that is not going to help the soap industry in Bangalore.

If I may be permitted to make a suggestion, may I request you to kindly address a letter to the Municipality requesting them to re-consider their decision? If all such resolutions are subject to Government sanction, I submit we should do well to bring our case before the notice of the Government before they pass orders approving of these octroi duties.

With very best respects,

I remain,
Yours sincerely,

S. Rao, Esq., B.A., B.L.,
Director of Statistics & Commerce

File No

of 19

GOVERNMENT SOAP FACTORY, BANGALORE

19th April 1933.
21

Confidential. D.O. No. 6906 dup.
Encl: one.

Dear Sir,

I enclose herewith copy of a confidential D.O. which I have addressed to Mr. P.H. Krishna Rao, Municipal Commissioner, in the matter of the levy of an octroi duty of As.8/- per maund of 24 lbs. of tallow imported into Bangalore City. I tried to get some correct statistical information from your office regarding the imports of tallow to Bangalore, but I was told that tallow is not separately shown.

The Government Soap Factory, on account of its being a Government concern, has till now been exempt from octroi duties and if this concession had not been enjoyed by it, it would be compelled to pay a very heavy revenue to the Municipality. The present price of the best Australian mutton tallow works out at Rs.360/- per ton and the propose octroi duty would come to Rs.46-10-8 per ton. During the calendar year 1931 the factory used 107 tons of tallow and in the year 1932 it used 127 tons. Therefore if the Municipality should collect the octroi duty from us, they will get a revenue of Rs.5,000/-

File No

of 193

(F. 308/30 31)

29th April 3

THE PRESIDENT,
Bangalore City Municipality,
BANGALORE.

I have the honour to state that it is reported by the Industrial Chemist in charge of the Government Soap Factory, Bangalore that the City Municipal Council propose to levy an octroi duty of 8 annas per maund of 24 lbs of tallow (or 12½% Advalorem at the present price) imported into the City In this connection I would like to bring to your notice the effects of the levy of octroi on tallow on the soap Industry in Bangalore and hope that the question would be carefully considered by you before final action is taken

Tallow is largely used as raw material in the Soap Industry If a duty is levied on it, it will add to the cost on important raw material used by the local manufacturers and will handicap them very much in their competition with the British Indian and Foreign manufacturers of soaps They obtain their supplies of oils and fats at comparatively low prices being very near the sources of supply thus avoid payment of any railway freight Moreover soap manufacturers in British India get tallow free of any customs duty Our manufacturer have to pay Railway freights both on oils and fats imported by them and on soaps manufactured by them as their principal market lies outside the state The levy of octroi would hit hard the soap industry in Bangalore

If the proposed levy of octroi duty on tallow is intended to check its use for purposes of adulteration, I am afraid that it can r

not be a very effective check since the pitch of the proposed [redacted] is too low for that purpose The duty should be so high as to [redacted] import of tallow in which case the Municipality cannot expect any [redacted] from it But a very big large part of the tallow imported is used by the soap factories and only a small portion may be used for purposes of adultration It is also advisable to see if any differentiation cannot be made in levying the duty having regard to the sources of supply viz between the tallow that comes into the city from any [redacted] in the state or in British Indian and tallow from overseas countries.

I may also point out to you that at a time when octroi duty ~~is~~ in general are being condemned as opposed to sound cannons of taxation it is not desirable to levy the duty on commodities which are not necessaries of life Thus you will see that the question is one which requires further consideration If you many any further information on this subject, I shall be glad to furnish it on hearing from you I would be obliged if you would kindly reconsider the question and let me know the action you propose to take in this matter

I have the honour to be

Sir,

Your most obedient servant,

DIRECTOR

(3)

Ml 60-33-b 46

G.To. 395/file. Revn

CITY MUNICIPAL OFFICE,

Bangalore City, Dated 28th June 1933

29

FROM

P H KRISHNA RAU, ESQ, M A,
MUNICIPAL COMMISSIONER,
BANGALORE CITY

30 JUNE 1933

1 JULY 1933

R Ranga Rao, Esq, B A, B L,
Chief Secretary to the Govt of Mysore,
Bangalore

Sir,

I have the honour to state that with a view to improve the resources of the Municipality, I placed before the Managing Committee a memo for the levy of Octroi duty on the marginally noted articles imported into the City

2. The Managing Committee in their meeting held on 14th November 1932 approved the levy of the duty on some of the articles - recommended by me as per copy of their resolution enclosed

+1.	Coffee
+2.	Tea
+3	Tallow, Whale Oil, Fish Oil and all fats.
+4.	Cement
+5	Cuddappah Slabs
+6	Iron Building materials
+7.	Dyes
8	Limestone
+9	Soap
+10	Betel Nuts.
11	Kerosene Oil
12	Refund on octroi duty at the time of export

3 This opinion of the Managing Committee was approved by the Municipal Council in their meeting held on 15-4-1933.y

4 Notice dated19th April 1933 calling for objections, if any against the levy of the proposed duty ~~were~~ was published in the local English and Vernacular Newspapers. Whereupon the Mysore Chamber of Commerce through its Secretary, protested against the levy of octroi duty,on 27th April 1933, on Tallow particularly Also the Director of Industries and Commerce in his letter No C 4.308 dated 1st May 1933 objected to the levy on the ground that the soap industry would suffer heavily if the proposed duty is levied

5 The objection was considered by the Managing Committee in their meeting held on 17th May 1933 and they resolved that tallow

tallow imported for being used as raw material in bona fide
in the case of all factories in the City, be exempted from pay-
proposed levy

6. This resolution of the Managing Committee with particular reference to Tallow was considered by the Municipal Council in their ing held on 13-6-1933 and it was resolved that exemption be not grant- but refund of duty be made in the case of bona fide users of tallow f.. soapmaking, on production of a certificate from the Director of Industr and Commerce about the quantity of tallow actually used in soapmaking by each factory.

7 Copy of my note dated 14th Decr 1931 and copies of the resol tions of the Managing Committee meetings dated 14th Novr. 1932 and 17th May 1933, and of the Council meetings dated 15th April and 13th June 1933 and also copies of the objections received from the Chamber of Commerce and the Director of Industries and Commerce in Mysore, Bangalore, are enclosed for favour of information of Government

8 I request you to kindly obtain sanction of Government to the resolution of the Managing Committee meeting dated 14th Novr 1932 as approved by the Municipal Council in their meeting held on 15th April 1933 subject to their modification in respect of tallow in their meeting dated 13th June 1933

I have the honour to be,
Sir,
Your most obedient servant,

Municipal Commissioner

VVK

FORWARDED WITH COMPLIMENTS

HONORARY PRESIDENT

Proceedings of the Ordinary General Meeting of the City Municipal Council, Bangalore, held on Tuesday the 13th June 1933 at 4 P.M.

Present.- B.K.Garudachar, Esq., (President).

Councillors.-

1. Mr. C.M.Narasimha Rao.
2. Mr. Achappanna
3. Mr. B.S.Channarayya Setty
4. Mr. Abdul Majid
5. Mr. C. Venkatapathiah
6. Mr. L.P.Somasekhara Rao
7. Mr. Lalur Srinivasa Iyengar
8. Mr. Sri Sriramulu
9. Mr. Jawalal Thiveri
10. Mr. Khaja Khader Lt. Sheriff
11. Mr. P. Subbarama Chetty
12. Mr. V.V.Venkatarangachary
13. Mr. C.Venkatarangappa
14. Mr. K.T.Sreenivasa Iyengar
15. Mr. C.Abdul Wahid Sheriff
16. Mr. T.V.Nanjundaiah

17. Mr. Md. Hussain
18. Mr. D.S.Ramachandra Rao
19. Mr. L. Gopalakrishna Rao
20. Dr. M.Koyan
21. Mr. S.K.Venkataramana Iyengar.

Absent.-

1. Mr. D.L.Hyanna
2. Mr. S.V.Srinivasa Setty
3. Mr. V. Sundaramurthi
4. Mr. M.Balakrishnaiya
5. Mr. P.D.Naidu
6. Mr. K. Srikantiah
7. Mr. Thanavelu Pillai
8. Mr. Venkote Bhadramma

Subject No. 13-6-1933 - 12

To approve the opinion of the Managing Committee meeting dated 17th May 1933 that tallow imported for being used as raw material in bona fide industries in the case of all factories in the City, be exempted from payment of the proposed octroi duty

Resolution - Resolved that the exemption be not granted but refund of duty be made in the case of bona fide users of tallow for soap-making, on production of a certificate from the Director of Industries and Commerce about the quantity of tallow actually used in soapmaking by each factory

Sd B K Garudachar,
Hon President

"Copy."

Municipal Commissioner

vvk

Proceedings of the Managing Committee Meeting held on 17-5-1933

Subject No 2 - To consider the application dated 27th April 1933 frc the Secretary, Mysore Chamber of Commerce, Bangalore, requesting that the levy of an octroi duty of eight annas per maund on imports of tallow into the city may be exempted in the case of all the factories in the City using tallow as a raw material for manufacturing soaps and the Honorary President's opinion thereon

Also D O No 6961 dated the 22nd April 1933 from the Director of Industries and Commerce on the same subject

Resolution - Resolved that tallow imported for being used as raw material in bona fide industries in the case of all the factories in the city, be exempted from payment of the proposed octroi duty

Sd B Kempanna,
Chairman

"Copy "

Municipal Commissioner

vvk

Proceedings of a Special Meeting of the City Municipal Council held on Saturday the 15th April 1933 at 4 P.M. in the Council Chamber of the City Municipal Office, Bangalore, for consideration of tenders for miscellaneous items and also for considering the opinion of the Managing Committee meetings in the matter of introduction of additional taxes to enhance the revenues of the Municipality.

Present.- B.K.Garudachar, Esq., Honorary President.

Councillors.-

1. Mr. T.H.Hanumanthappa
2. Mr. K.T.Bhashyam Iyengar
3. Mr. Ramalal Thivari
4. Mr. Y.H.Venkatarawappa
5. Mr. B.S.Shanmugappa Setty
6. Mr. C.L.Narasinga Rao
7. Mr. K.Srikantiaya
8. Mr. S.Venkatapathiah
9. Mr. Balakrishnaiya
10. Mr. Khaja Khader Sheriff
11. Mr. O.S.Nasrulla Sheriff
12. Mr. B.Kempanna
13. Mr. Thangavelu Pillai
14. Mr. M.P.Somasekhara Rao

Absent.-

1. Mr. S.K.Venkataranga Iyengar
2. Mr. P.Subbarama Chetty
3. Mr. Bolur Sreenivasaiengar
4. Mr. Honkote Bhadrappa
5. Mr. D. Venkataramappa
6. Mr. S.L.Byanna
7. Dr. D.Gopalakrishna Rao
8. Mr. S.V.Srinivasa Setty
9. Mr. Abdul Majid
10. Sri Sriramamma
11. Dr.Mohamed Hussein
12. Mr. B.D.Naidu
13. Dr.M..oyan
14. Dr.D.S.Ramachandra Rao
15. Mr. V.Sundaramurthi

Subject No. 2.- To consider the opinion of the Managing Committee meeting dated 14th Novr 1932 and 28th January 1933 that the duty on coffee, and tea be levied at three pies per rupee ad valorem and on tallow, whale oil, fish oil and fats at eight annas per maund of 24 lbs, and at three pies per rupee on cement, cuddappa slabs, iron building materials such as girders &c , foreign soaps, betel nuts and kerosene oil.

Resolution - Resolved that the recommendation of the Managing Committee be accepted

Sd B K Garudachar,
Hon President

"Copy "

Municipal Commissioner

vvk.

Proceedings of the Special Meeting of the Managing Committee held on 14th November 1932

Subject No 6 - To consider Commissioner's Note dated 5th Novr 1932 regarding the present condition of the Municipal Finances and proposals for improving the revenue to meet the daily increasing expenditure

Resolution - Further resolved that duty be levied on the following articles at three pies per rupee -

(a) Coffee
(b) Tea
(c) Tallow, Whale Oil, Fish-oil and all other fats
(d) Cement
(e) Cuddappa Slabs
(f) Iron building materials such as girders&c
(g) Foreign soaps
(h) Betel Nuts
(i) Kerosene Oil

Levy of duty on limestone was not approved

Sd B Kempanna,
Chairman

"Copy "

Municipal Commissioner

vvk

Letter No. C.4.303 dated 29th April /1st May 1933 from the Director of Industries and Commerce in Mysore, Bangalore, to the President, Bangalore City Municipality.

I have the honour to state that it is reported by the Industrial Chemist in charge of the Government Soap Factory, Bangalore, that the City Municipal Council propose to levy an octroi duty of eight annas per maund of 24 lbs of tallow(or 12% ad valorem at the present price) imported into the City. In this connection I would like to bring to your notice the effects of the levy of octroi on tallow on the soap industry in Bangalore and hope that the question would be carefully considered by you before final action is taken.

Tallow is largely used as raw material in the soap industry. If a duty is levied on it, it will add to the cost on important raw material used by the local manufacturers and will handicap them very much in their competition with the British Indian and Foreign manufactuers of soaps. They obtain their supplies of oils and fats at comparatively low prices being very near the sources of supply thus avoid payment of any railway freight. Moreover, soap manufacturers in British India get tallow free of any customs duty Our manufacturers have to pay Railway freights both on oils and fats imported by them and on soaps manufactured by them as their principl market lies outside the State. The levy of octroi would hit hard the soap industry in Bangalore.

If the proposed levy of octroi duty on tallow is intended to check its use for purposes of adulteration, I am afraid that it cannot be a very effective check since the pitch of the proposed duty is too low for that purpose The duty should be so high as to prohibit import of tallow in which case the Municipality cannot expect any revenue from it But a very large part of the tallow imported is used by the soap factories and only a small portion

portion may be used for purposes of adulteration. It is also a to see if any differentiation cannot be made in levying the duty in regard to the sources of supply, viz , between the tallow that comes into the city from any place in the State or in British India and tallow from overseas countries

I may also point out to you that at a time when octroi duties in general, are being condemned as opposed to sound cannons of taxation, it is not desirable to levy the duty on commodities which are not necessaries of life Thus you will see that the question is one which requires further consideration. If you want any further information on this subject, I shall be glad to furnish it on hearing from you I would be obliged if you would kindly reconsider the question and let me know the action you propose to take in this matter.

"Copy "

MUNICIPAL COMMISSIONER

vvk.

Letter No.1626/MCC dated 27th April 1933 from the Secretary, Mysore Chamber of Commerce to the Municipal Commissioner, Bangalore City

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It has been brought to the notice of the Chamber that the Bangalore City Municipal Council have resolved on the advice of their Standing Committee, to levy an Octroi duty of annas eight per maund on imports of tallow into the City, obviously the object inspiring the proposal is to check the growing malpractice of adulterating ghee with tallow The proposal has much to recommend it from the point of view of preventing food adulteration

But there is another side to the case Tallow is a product used in Textile Mills for certain preparatory process and conditioning of yarn and it is also used as a raw material in the Soap Industry The Indian Fiscal Commission in their report, and the Tariff Board at a later stage, have also recognised that no raw material used in bona'fide industries should be taxed, as otherwise, the industry is going to suffer Recognising this principle the Govt of India permitted the imported of tallow into India free of customs duty The same principle was applied to the importation of sulphur, which is on the free list, as against sulphuric acid, which is taxed heavily Therefore the action of the Municipal Council in not making a distinction between tallow as a raw material in some of the factories and tallow used as an adulterant is open to the objection that it handicaps some of the large manufacturers in the city and besides adversely affects the soap industry It surely cannot be the intention of the Municipal Council to prejudice these interests by the levy of an enhanced import duty on tallow

The Committee would suggest a <u>via media</u>, which, while securing against ghee adulteration, - which is the object principally aimed at by the Municipal Council - will ensure that the interests of the manufacturers or of the soap industry are not prejudically affected The course proposed is to exempt all the factories in Bangalore City which use tallow exclusively as a raw material from the enhanced du

necessary, the Municipal Council may require [redacted] cate from these factories that they use tallow exclusively [redacted] as a raw material and further, any authorised Inspector of the [redacted] Municipality may have the right of access to the Ledgers of the [redacted] concerns receiving and issuing tallow for manufacturing process[redacted]

My Committee hope that in the light of the facts mentioned [redacted] above, the Municipal Council will see their way to grant the exemption proposed in the case of all the factories in the city using tallow as a raw material

"Copy "

Municipal Commissioner.

vvk

City Municipal Office,

Bangalore, 14th Decr 1931

Levy of octroi duty on some additional articles -

Memo.

The normal expenditure of the Municipality is increasing day by day while there is no corresponding increase in the receipts For the past few years funds were being drawn from the reserves to balance the budget Now as almost all the reserves are spent it is very necessary that fresh avenues of revenues are explored and exploited. Owing to the present financial stringency it is not desirable to increase direct taxes The other source is indirect taxation on articles of luxuries &c , so that the burden may be least felt by the person who pays it.

From the study of the taxes and duties prevailing in certain Municipalities, it is observed that octroi duty is levied on the following articles. I recommend that octroi duty may also be levied in this Municipality by which we may realise an income of --- Rs. 63,608 annually.

Sl. No. of articles.	Names of Articles. on which levy is proposed	Total value of imports every year.	Per	Rate of Octroi.	Amount expected Rs.	as.	ps.
1.	Coffee	Rs 153,000	Ad valorem	Rs1-9-0	2,390	0	0
2.	Tea	98,000	Ad valorem	1-9-0	1,531	0	0
3	Tallow, Whale Oil fish oil & all fats	15,000 mds	Maund	0-8-0	15,000	0	0
4	Cement	160,000	Ad valorem	1-9-0	2,500	0	0
5	Cadappa Slabs	64,800	Ad valorem	1-9-0	1,012	0	0
6	Iron building materials	128,000	Ad valorem	1-9-0	2,000	0	0
7.	Dyes	136,800	Ad valorem	1-9-0	2,137	0	0
8.	Limestone	55,900	Ad valorem	1-9-0	873	0	0
9.	Soap	112,000	Ad valorem	1-9-0	1,750	0	0
10.	Betel Nuts	720,000	Ad valorem	1-9-0	11,250	0	0
11	Kerosene Oil	132,000	Ad valorem	1-9-0	20,625	0	0
12.	Refund on octroi duty at the time of export	20,000	10% on the amount of refund.		2,000	0	0
				TOTAL Rs.	63,068	0	0

Sd P.H Krishna Rao,
Municipal Commissioner

"Copy"

vvk.

Municipal Commissioner.

Bangalore City Municipality.

Notice, dated 19-4-1933.

Notice is hereby given to the inhabitants of Bangalore City that the City Municipal Council in their meeting held on 15-4-1933 **have** resolved to levy octroi duty on the following articles* at the rates shown against each item.

Any person objecting to the same may given his objections in writing to the Municipal Commissioner, City Municipality, Bangalore, within one month from the date of this notice.

Name of article.		Per.
*1. Coffee	..	3 pies per rupee ad valorem
2. Tea	..	3 pies -do-
3. Tallow, Whale Oil, Fish Oil and all fats	..	8 annas per mound of 24 lb.
4. Cement	..	3 pies per rupee advalorem
5. Cuddapra Slabs	..	-do-
6. Iron building materials such as girders	..	-do-
7. Foreign soaps	..	-do-
8. Betel Nuts	..	-do-
9. Kerosene Oil	..	-do-

Municipal Commissioner.

wvk.5.

Proceedings of the Managing Committee meeting dated 28th January 1932.

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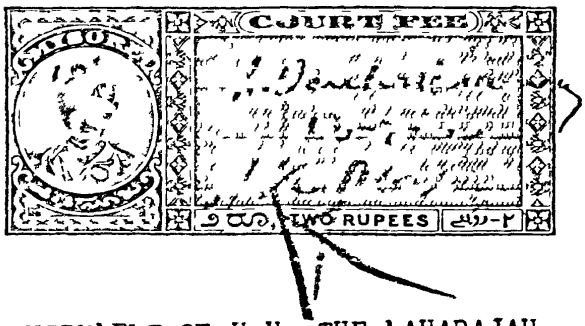
3. To consider Municipal Commissioner's Memo dated 14th Decembe 1931 re. levy of Octroi duty on some of the new articles such as coffee Tea etc.,

Resolution :- Duty on Coffee and Tea be 0-0-3 (three pies per rupee ad valorem) and on Tallow, Whale oil, Fish Oil and Fats be levied at 0-8-0 (eight annas) per maund of 24 lbs.

Sd. B. K. Garudachar.
Chairman.

"Copy."

SRB



317
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BEFORE THE GOVERNMENT OF H.H. THE MAHARAJAH

OF MYSORE, BANGALORE.

GEN. & REV. SECTT.
15 JULY 1933

Re. Proposed levy of Octroi on Betel Nuts imported into Bangalore City.

Petitioners.--
1. K.C. Ramaiya,
2. Adike Chandrappa,
3. Adike Appajappa,
4. P. Nanjappa,
5. T.G.R. Nanjappa,
6. Mallappa,
7. Nanjundappa,
8. Shivappa.
9. P.K.Thavukutti.

and others, All Traders in areca nut, Mamulpet, Old Tharagpet, and Dodpet, Bangalore City.

The Petitioners above-named respectfully beg to state as follows.--

1. It is learnt that the City Municipal Council, Bangalore, have passed a Resolution for levying Octroi on Areca nuts imported into -- Bangalore City and that the Commissioner has -- supported the same and sought the sanction of - Government.

2. Neither the proposal for the said levy nor the Resolution therefor was duly notified or published so as to attract notice of the same to

to the persons affected by it. The Petitioners had no knowledge of these until very recently and could not therefore urge their objections to the proposed levy.

3. The absence of objections, in view of these, should not be kindly construed as -- implying acquiescence on the part of the Petitioners or assent of the views of the Municipality.

4. The Petitioners beg to submit that the matter has not received the consideration it required and the effects thereof duly examined as is fairly apparent fror the fact that only about half the number of Councillors are said to have attended the meeting at which the Resolution was passed and the Resolution itself was passed arongst several others, as a matter of course - without appreciating the peculiar and distinguishing circumstances relating to this such as:--

i. That the same question was considered some years back and the Octroi levied for sometime on an experimental basis was given up. No fresh circumstances have arisen now to justify the revival of the Octroi.

ii. That neither in the Civil and Military Station nor in any of the neighbouring places is such a levy imposed. There are no exceptional circumstances here to adopt this extremely - singular course.

iii. That already through the general depressing conditions of trade all over, the local dealers have suffered considerably. The trade which was formerly in the hands of local merchants has been diverted to other places such as Vellore, Hindupur, Marhally and to the weekly shandies - beyond the limits of the City Municipality. Apart from any other considerations this should have been regarded as a sufficient ground to see that it is highly inopportune at present to impose the Octroi.

iv. That if the proposed levy is sanctioned, not only will the local traders be hit hard, but also the trade within the Municipal limits will be deflected and drawn away to suburban centres and outlying places where a similar levy does not - prevail. Thus the twofold consequence of the - imposition would be the falling off of the trade of the local merchants as well as of the City. It will be a great handicap for the local traders to compete with their rivals in the business carried on in other places if the proposal is sanctioned.

v. As a further consequence of the - reduction in the Petitioners' trade, the income accruing to them will dwindle and the income-tax collected by Government would be affected.

vi. The trade carried on by Petitioners in this article consists mostly in receiving the goods from places such as Malabar, Shimoga etc., and

and distributing the same amongst their constituents who are largely in the moffusil. The introduction of the Octroi would create an appreciable difference in the transactions by moffusil dealers with local merchants and those with others. The Petitioners will be forced to succumb in the competition ~~of prices~~ as the tax will have to be added to the prices at which these have to part.

vii. The Petitioners as residents and traders within the Municipal limits are already subjected to heavy and various taxes. In the present state of depression all over, it would be highly oppressive to bear the proposed imposition and continue their business without risk of having to stop the same.

viii. The imposition, if sanctioned, in inevitably crushing the local traders and bringing about the loss of trade, will defeat the very object with which it is sought to be introduced since there cannot be appreciable realisation with diminition of trade. Such a contingency will affect the reputation and facilities of the city as a trade centre.

ix. That there is no necessity or justification for the City Municipality to seek this source of revenue at present causing such material hardship to Petitioners and risk to the trade of the place.

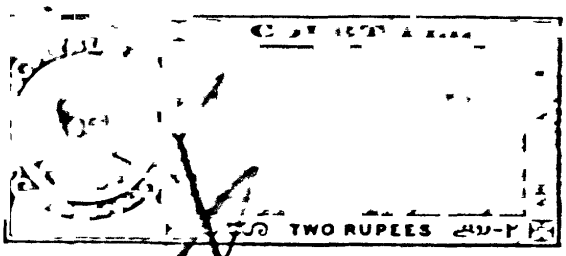
x

x. The proposed levy will be oppressive.

5. The Petitioners therefore -- respectfully pray that the benign Government will be graciously pleased not to sanction the -- proposed levy and thereby enable the Petitioners to strive to improve the trade which is of late declining and get on as heretofore.

Bangalore City,
Dated 13 -7-'33.

N. Venkatarama Iyengar
Advocate



Before the Government of H H The Maharajah of Mysore

In the Court of the BANGALORE.

Case No **OF 193 —193**

Appellant 1) K C Ramaya
Plaintiff 2) Adike Chandrappa **Vs**
Petitioner 3 Adike Bhimajappa & others

Respondent
Defendant
Opponent

I— Petitioners above named do by these presents, return Messrs R VENKATA RAMAIYA, M A, L L B, V J KHALEEL, B A, B L, and R SRINIVASIAH, B A, L L B, Advocates, to appear and conduct the above case on behalf to judgement

2 further empower them to appear, plead, enter into compromise and do all necessary acts in the above case, to execute any decree or order that may be passed in behalf and to receive from the Court all documents, refunds, and all sums of money that may be entitled to get and grant receipts therefor

3 also undertake to confirm and ratify all the acts done by any of the said Advocates or by any other Advocate on their behalf in so doing

4 further agree that if — — fail to pay the fees agreed upon or to give due instructions, they are at liberty to retire from the case

BANGALORE,
13 – 7 –1933

Accepted

Personally known to me and signed in my presence

Advocates,

G R S App F VI—G 2]

SUBJECT Levy of octroi duty on certain articles in Bangalore city

Diary No of letter replied to L 460 33

Section mil

File No 60-33

Serial No. 121

General and Revenue Secretariat

(mil)

the *193*

Proceedings of the Government of His Highness the Maharaja of Mysore

Date of issue 10th May 1934

Signed by Mr A S Rao

Read— Letter no L 70. 395 dated 29th June 1933, from the Municipal Commissioner Bangalore city, forwarding for sanction copy of the resolution quoting under which, approving the opinion of the managing committee that octroi duty be levied (1) on coffee and tea ~~be leased~~ at three pies per rupee advalorem (2) ~~and~~ on tallow, whalebone, fish oil and fish at eight annas per maund of 24 lbs, and at ~~three pies per rupee~~ (3) on cement Cuddapah slabs, iron bridge

May this be—

(i) printed ?

(ii) treated as a standing order ?

(iii) published in the Gazette, English part ?

(iv) translated ?

(v) placed at the disposal of the press ?

(vi) published in the Gazette, kannada part ?

Order thereon No

[redacted]

materials such as ~~groundnut~~ etc
foreign soaps, ~~kebel~~ nuts and
Kerosene oil, (at three pies per rupee ad valorem, subject to
~~with the modification~~
the usual refund of duty ~~be made~~
in the case of bona fide users
of tallow for soap-making
on production of a certificate
from the Director of Industries
& Commerce about the quantity
of tallow actually used in
Soap-making by each factory

Order No. 2104(5-47-

Sanctioned, with the
modification that the duty on tallow, whale oil
fish oil & fats be fixed at three pies per rupee ad valorem
so as not to exceed the maximum prescribed under class VIII of Schedule II
of the said Rules Regn.

Chief Secy to Govt

29/7/47 31/7 [illegible] List of Enclosure 1/8/47

To The Industries Bangalore City
(thro Govt)
The Comptroller to Govt
The Director of Industries & Commerce

Copied by

Examined by

WD 0254—GPB—10,000—22-8-32

GENERAL AND REVENUE SECRETARIAT

~~Immediate.~~
D O No % 1506/Genl/

Dated, Bangalore, 30th Aug. 1934

Dear Sir,

With reference to your letter dated 24th instant, requesting that a copy of letter of Mr.P.H.Krishna Rao regarding the sale of areca nuts in Bangalore City may be sent, I am desired to state that no official communication on the subject was sent by Mr.Krishna Rao after examining the accounts of the Areca merchants. A copy of the opinion expressed by him when the file relating to the levy of Octroi duty on areca nuts was referred un-officially is enclosed herewith.

Yours sincerely,

AM

B.K.Garudachar, Esq.,
President, Bangalore City Municipal Council,
Bangalore.

Appendix F G—1]

SUBJECT

Section Rev

Immediate

File No

Serial No

D.O. No 1506/Rev

Diary No of letter replied to

To

Dear Sir,

General and Revenue Secretariat

( )

the *193*

With reference to your letter dated 24th inst, requesting that a copy of the letter of Mr. P.H. Krishnaiah to Govt regarding the sale of Harvesting areca nuts in Bangalore city I am desired to state that no official communication on the subject was sent by Mr. Krishnaiah after examining the accounts of the Arecanuts Merchants Bank in question.

Date of issue 30-8-34

Signed by Sd/ AS Rao

*A copy of the opinion expressed by him when the Samadhi file was referred unofficially is enclosed herewith.

(Para 14 of note) K

List of enclosures file 66-33

Copied by

Examined by

To

D K. Gundachar Esq

Revenue Secretariat

WD 0677—GPB—15 000—8 11 33